



YOUR HEALTH INSURANCE BENEFITS

Brian Towles, CMS Communications Coordinator



Will I get health insurance after I retire?

Kentucky Retirement Systems offers Medicare and non-Medicare plans to eligible retirees.

To be eligible for insurance, you must receive a monthly retirement benefit.

KRS may pay a portion or the full cost of insurance depending upon your years of service*, and the level of coverage chosen.

***Service purchases made after August 1, 2004 are not used to determine insurance, with the exception of the omitted service purchase and the repayment of refunds.**



Submission Deadlines for Insurance for Newly Retired Members

If you miss this deadline, you will be placed in the default single health insurance plan.

For example:

Retirement Date	Form 6200 Due By	Insurance Effective Date
May 1	April 30	May 1

If you miss the above deadline, you can still submit a Form 6200. Your Form 6200 must be filed with our office by the last day of the month in which you retire.

For example:

Retirement Date	Form 6200 Due By	Insurance Effective Date
May 1	May 30	June 1

Each year prior to the Open Enrollment period, KRS' Board of Trustees establishes the contribution rate for the following plan year (Jan 1 - Dec 31)



Submission Deadlines for Insurance for Newly Retired Members

Please remember

- **If you do not return a health insurance application either waiving coverage or selecting a plan, you will be defaulted into a health insurance plan.**
- **Your retirement can be effective without insurance coverage.**
- **You are responsible for filing your insurance application by the due date.**
- **Documentation for health insurance dependents/spouse is required.**
- **Waiting until the last minute to file an application will cause delays in receiving your insurance card and accessing benefits.**



Submission Deadlines for Insurance for Newly Retired Members



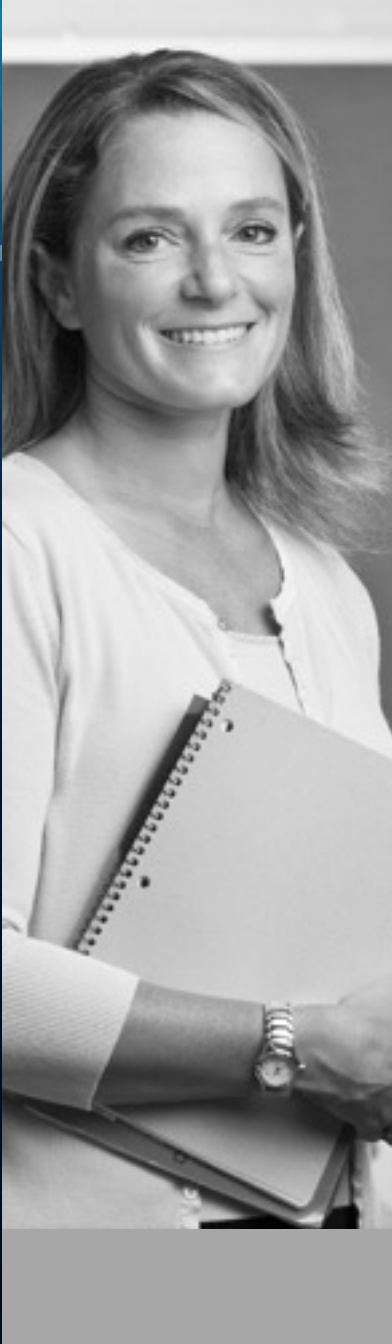
If you miss both deadlines or you are defaulted into a health insurance plan, you will not be allowed to change your health insurance plan until the next open enrollment or if you experience a Qualifying Event.



Health Insurance Coverage Waivers



If a retiring member chooses to waive insurance coverage through KRS, the contribution KRS would have paid toward insurance is forfeited and coverage through KRS cannot be obtained until the next annual open enrollment period unless a Qualifying Event occurs.



Dependent Coverage

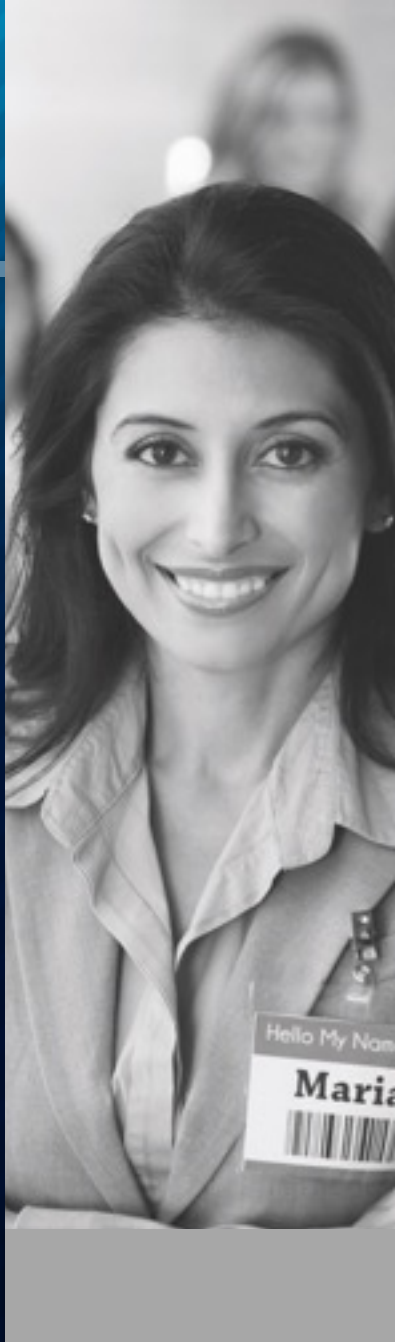
Dependent coverage is available even if you are not on the same type of plan as your dependents:

- ◉ If you don't qualify for Medicare but your spouse or dependent does, you have the option to cover dependents on a KRS Medicare-eligible plan
- ◉ If you are Medicare-eligible but your spouse or dependent is not, dependent coverage is available through the KEHP
- ◉ You may be required to certify and/or document your dependent's eligibility
- ◉ In order to cover a spouse or dependent on a plan the retiree must also be enrolled and covered by a KRS plan. If a retiree waives coverage, the spouse and/or eligible dependents cannot be enrolled in the KRS Health Insurance Plans.

What is a Dependent?

A dependent is:

- ⦿ Legal spouse
- ⦿ Children up to age 26
(son, daughter, stepson, stepdaughter, adopted child or eligible foster child of the taxpayer)
- ⦿ Disabled child regardless of age





KRS pays a monthly contribution rate for insurance coverage based on the retired member's years of service and type of service (hazardous or non-hazardous).



Percentage Contribution

For Members participating prior to 7/1/03



Dollar Contribution

For Members participating on or after to 7/1/03

Medical Insurance Benefits



Percentage Contribution

For Members participating prior to 7/1/03

Total Years of Service	% paid for Retiree	Total Hazardous Service	% paid toward dependent coverage
Less than 4 years	0%	Less than 4 years	0%
4 – 9 years	25%	4 – 9 years	25%
10 – 14+ years	50%	10 – 14+ years	50%
15 – 19+ years	75%	15 – 19+ years	75%
20 or more years	100%	20 or more years	100%



Hazardous Duty Members

Participation Date Prior to 7/1/03

- ◉ Contribution paid for the member is based on total service credit (includes non-hazardous service)
- ◉ Portion paid toward Parent Plus, Couple or Family coverage is based on hazardous service credit only

Medical Insurance Benefits



Dollar Contribution

For Members participating on or after 7/1/03

*Participation between
7/1/03 – 8/31/08*

*Employees must
have 10 years of
earned service credit*

*Participation on or after
9/1/08*

*Employees must
have 15 years of
earned service credit*

NONHAZARDOUS EXAMPLE

Monthly Health Premium
- \$10 x Full Years in Service

Your Monthly Cost

HAZARDOUS EXAMPLE

Monthly Health Premium
- \$15 x Full Years in Service

Your Monthly Cost

The monthly insurance contribution will be increased July 1 each year by 1.5%. The annual increase shall be cumulative and shall continue to accrue after the member's retirement for as long as a monthly insurance contribution is payable to the retired member or beneficiary.

Retiree Health Insurance

- ◉ Plan Year: January 1 – December 31
- ◉ Kentucky Employees Health Plan (KEHP) until you reach age 65 or become eligible for Medicare
- ◉ Medicare eligible plan if you, or anyone you cover, qualify for Medicare
- ◉ You may cover your spouse and eligible dependents



Open Enrollment

- ⦿ **Annual Open Enrollment period**
- ⦿ **Application may not be required every year**
- ⦿ **Read KRS plan information:**
 - Companies, coverage, and other requirements may change
- ⦿ **Cannot change coverage during the Plan Year unless:**
 - You experience a qualifying event (non-Medicare)
 - You experience a status change (Medicare)

Paying for Coverage

- ◉ Any amount you owe is deducted from your monthly benefit
- ◉ You will be billed for any amount not covered by your monthly benefit
 - Set up automatic deduction by completing Form 6131
- ◉ Coverage is cancelled if you do not make payment by the due date



Other Options

Reimbursement Plan

- ◉ Available on non-Medicare plans if:
 1. Living outside Kentucky, and
 2. Available network does not equal Kentucky's available network
- ◉ Equal to amount KRS would pay for a KRS plan
- ◉ Not eligible if an employer or other retirement plan pays your premium
- ◉ Complete Form 6240 and provide required forms and/or documentation

Waive Coverage

- ◉ Complete application to indicate you are waiving coverage
- ◉ Contribution KRS would pay is forfeited
- ◉ Coverage cannot be obtained until the next Open Enrollment period, unless you have a valid Qualifying Event



Disability Retirement

- **If approved for disability your KRS insurance coverage is effective the first day of the month in which your disability is finalized for payroll:**
 - This may not be the same date as the effective date of your retirement
 - In many cases, the effective date of disability retirement is retroactive due to the time needed for approval by the Medical Examiners
 - Health insurance coverage is not retroactive

Beneficiary Insurance

- ◉ May be eligible for coverage if receiving a monthly payment
- ◉ KRS may pay a portion of the monthly contribution toward insurance premiums depending on the payment option selected and the member's service credit
- ◉ May be eligible to obtain insurance through another retirement plan if combining the member's retirement accounts between more than one state administered retirement plan





Kentucky Employees Health Plan

KEHP



Kentucky Employees Health Plan (KEHP)

- ◉ **Annual Open Enrollment Period**
- ◉ **Family Cross Reference Option**
- ◉ **Qualifying Events:**
 - Plan option or coverage level changes must be consistent with the event
 - An application and any supporting documentation must be submitted within the allowable time period following the event



Types of KEHP Plans

Your Kentucky Employees' Health Plan (KEHP) aims to provide you with the best possible level of coverage, administration, and customer service. Effective January 2015, we announced new medical, pharmacy and HRA/COBRA plan administrators.

Medical: Anthem Blue Cross Blue Shield (Anthem)

Pharmacy: CVS/Caremark

HRA/COBRA: WageWorks

Wellness: HumanaVitality

Transparency: Vitals SmartShoppers



KRS Medicare-eligible Plans

Enrollment and Coverage

Medicare Eligibility

You become eligible for Medicare if you are:

- ◉ Age 65 or older
- ◉ Under age 65 with certain disabilities
- ◉ Any age with End-Stage Renal Disease
 - You must be diagnosed and on dialysis to qualify

If Medicare-eligible, you and/or your dependents:

- ◉ cannot remain on a KEHP plan
- ◉ must enroll in a Medicare-eligible plan

Transitioning to Medicare

- ◉ Medicare Initial Enrollment Period
 - 3 months prior to your 65th birthday
- ◉ KRS notifies you 6-8 weeks prior to your 65th birthday
- ◉ Review your plan options
- ◉ Obtain Medicare Parts A and B to be covered under a KRS Plan





What is Medicare?

Medicare helps with the cost of health care, but doesn't cover all medical expenses

<i>Part A</i>	<i>Hospital Insurance</i>
<i>Part B</i>	<i>Medical Insurance</i>
<i>Part C*</i>	<i>Medicare Advantage Plans: health plan options that combine Part A, Part B, and usually Part D</i>
<i>Part D</i>	<i>Medicare prescription drug coverage</i>

***KRS offers Humana Medicare Advantage Plans with Part D drug coverage.**



What will I pay?

- ◉ **Medicare Part B Premium**
 - Part B Penalty may apply
- ◉ **KRS Plan premium** (if applicable)
- ◉ **Copayment/Coinsurance for covered services** (costs, extra coverage and rules vary by plan)
- ◉ **Prescription Drug Coverage:**
 - If you do not obtain Part B, you will default to a KRS Medicare Plan which may cost you more
 - KRS' Medicare Advantage Plan includes prescription drug coverage



Applying for Coverage

- ◉ Complete Form 6200 – Medicare
- ◉ Provide a copy of your Medicare card
- ◉ File both with our office by the 20th day of the month before your Medicare effective date to match your Medicare Part A effective date
- ◉ If not on file within 30 days of your Part A date, you may be defaulted to a KRS Medicare plan until the next Open Enrollment period



KRS

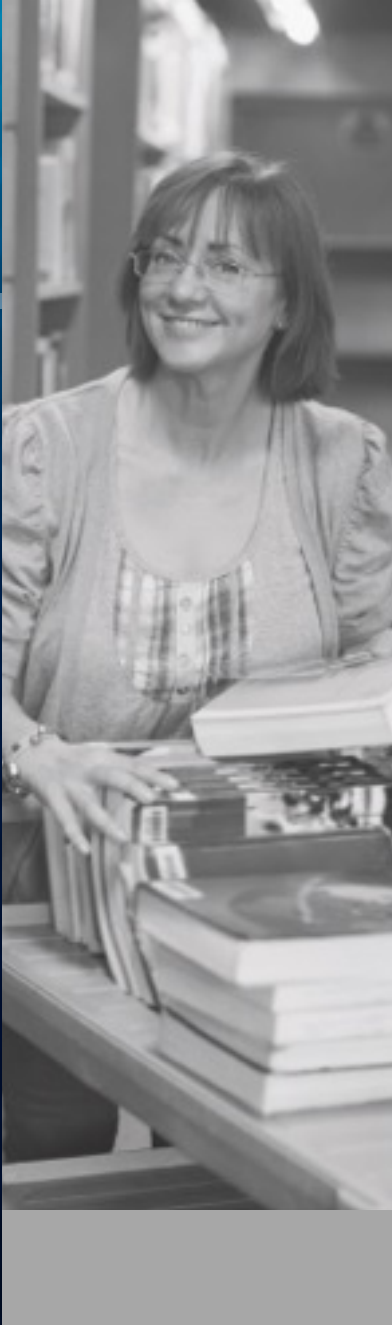
Medicare-eligible Plans

You must obtain both Parts A & B to be covered under our plans

- ◉ **KRS Medical Only Plan**
 - Designed to supplement Medicare Part D prescription drug coverage
 - Does not provide outpatient prescription drug benefits
- ◉ **KRS Medicare Advantage Prescription Drug (MAPD) Plans**
 - Essential Plan
 - Premium Plan

Dependent Coverage

- ◉ Form 6200 must be completed for each Medicare eligible person
 - Family and Couple plans not available
- ◉ If Medicare eligible and taking coverage through KRS, dependent must choose a Medicare eligible plan
- ◉ Status change may allow addition of new dependents during Plan Year





Status Change

- ⦿ **A status change occurs if:**
 - You move
 - You lose current coverage
 - You have a chance to get other coverage
 - Your plan changes its contract with Medicare
- ⦿ **Other special situations may qualify**
- ⦿ **You have 30 days from the date of a status change to revise elections**



Part B Penalty

- ◉ 10% penalty for each full 12-month period you could have had Part B
- ◉ Penalty doesn't apply if you enroll before a full 12-month period has passed
- ◉ May be waived if you qualify for a Special Enrollment Period

Special Enrollment Period

You may qualify for a Special Enrollment Period if you didn't take Part B when first eligible and:

- You or your spouse were working and had group coverage through an employer/union, or
- You or your spouse are currently employed and still have group coverage through an employer/union, or
- It is during the 8 months following the month employer/union coverage ends or when employment ends (whichever is first), or
- You are disabled and working or have coverage from a working family member



Online Resources

- ◉ KRS
 - Forms & Enrollment Information <https://kyret.ky.gov>
 - Retiree Self Service <https://myretirement.ky.gov>
- ◉ Medicare www.medicare.gov
- ◉ Welcome to Medicare <http://www.medicare.gov/Publications>
- ◉ Social Security Administration <http://www.ssa.gov/pgm/medicare.htm>
- ◉ Humana <https://www.humana.com>
- ◉ Anthem - www13.anthem.com/cp/web/kehpb



WEB site

[kyret.ky.gov](https://myretirement.ky.gov)

Self  *Service*

<https://myretirement.ky.gov>



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Legal Notice

This presentation is intended merely as a general information reference for members of KRS. This presentation is not intended as a substitute for applicable Federal or state law, nor will its interpretation prevail should a conflict arise between its contents and applicable Federal or state law.

Before making decisions about your retirement, you should contact Kentucky Retirement Systems.

If you have any questions about the material in this presentation please contact KRS at 1-800-928-4646.